

AVOID

Foreclosure

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**Missouri Department of Insurance,
Financial Institutions and Professional Registration**

Are you falling behind on your monthly mortgage payment? Have you found yourself delinquent on your loan? Is your adjustable rate mortgage becoming unaffordable because of increasing payments? You are not alone. Every year millions of people have trouble with their mortgages, but foreclosure can often be prevented. Don't be afraid or embarrassed to ask for help.

Contact your lender

Act early. Don't ignore letters from your lender if you miss payments. It is important to be aware that if you have missed payments and your loan is in default, your lender may proceed to foreclosure unless you can come up with the money to bring the loan current. As soon as you find yourself struggling to make your monthly payment, contact your lender. Most lenders who believe borrowers are acting in good faith will be willing to work with them. You and your lender may discuss reasonable options and alternative payment plans. More than one-third of those who take the initiative and seek assistance are successful in finding alternatives to foreclosure.

Get help from a reputable housing counselor

- The Department of Housing and Urban Development (HUD) maintains a list of approved housing counselors who give free or low cost advice. To find a HUD-approved counselor in your area call 1-800-569-4287 or go online to view the HUD-approved counselors in Missouri.
- NeighborWorks America, a national nonprofit organization, and Homeowner's HOPE, a service of the nonprofit Homeownership Preservation Foundation, have established a toll free hotline at 1-888-995-HOPE (4673). Their mission is to help homeowners avoid foreclosure by providing free advice and support. Callers can receive immediate free counseling from nonprofit, HUD-certified organizations 24 hours a day, 7 days a week.

Avoid foreclosure "rescue" scams

The Missouri Division of Finance, the Federal Deposit Insurance Corporation (FDIC) and the Federal Trade Commission (FTC) want you to be aware of credit-repair scams that target homeowners having serious problems making their mortgage payments. In these "rescue" scams, con artists promise to help you save your home, but their intent is to steal your home or most of your equity.

According to the FTC, the following predatory scams have been reported:

- Foreclosure prevention specialist: The "specialist" is a phony counselor who charges hefty fees in exchange for making a few phone calls or filling out some paperwork that homeowners could complete themselves. Even worse, some scam artists simply take a homeowner's money and disappear. None of the actions result in saving the home.
- Lease/buy-back: Homeowners are deceived into signing over the deed to their home to a scam artist who tells them they will be able to remain in the house as a renter and eventually buy it back. Usually, the terms of this scheme are so demanding that the buy-back becomes impossible, the homeowner gets evicted, and the "rescuer" walks off with most or all of the equity.

- Bait-and-switch: Homeowners think they are signing documents to bring the mortgage current. Instead, they are signing over the deed to their home. Homeowners usually don't know they've been scammed until they get an eviction notice.

Missouri law provides strong consumer protections against "foreclosure consultant" scams. Under this law, a legitimate foreclosure consultant must present a written contract with a three day rescission period. They will NOT collect any advance fees prior to services and will NOT take any interest in your home.

Additional Resources for Missouri Homeowners

Missouri HUD

Kansas City Regional Office

Phone: (913) -551-5644

Fax: (913) 551-5469

TTY: (913) 551-6972

Jurisdiction: State of Kansas and Western half of Missouri

St. Louis Field Office

Phone: (314) 539-6583

Fax: (314) 539-6384

TTY: (314) 539-6331

Jurisdiction: Eastern half of Missouri

Neighborhood Assistance Corporation of America (NACA): www.naca.org

NACA has a Home Save/Refinance Program to provide hope and assistance to homeowners with unaffordable loans who are at risk of losing their homes. NACA may be able to assist you through refinancing your existing mortgage or working with your lender.

Western Missouri

100 E 43rd Street

Kansas City, MO 64111

Phone: (816) 531-6222

Eastern Missouri

3930 Lindell Blvd.

St. Louis, MO 63108

Phone: 1-877-704-6222

FHASecure

FHASecure is a refinancing option available through the Federal Housing Administration. It gives credit-worthy homeowners, who were making timely mortgage payments before their adjustable rate mortgages reset, a second chance with an FHA insured loan product.

Phone: 1-800-225-5342

Reverse Mortgages

If one or both of the homeowners on the title is over age 62, you may want to consider a reverse mortgage. For information, check out the Federal Trade Commission's fact sheet, Reverse Mortgages: Get the Facts Before Cashing in on Your Home's Equity.

Statewide Legal Services: www.lsmo.org

Statewide Legal Services is an entry point for accessing legal assistance and may provide advice over the telephone or refer you to a legal services office or a private attorney at no cost. Certain income limits apply in order to qualify for these services.

Phone: (417) 881-1397

The Missouri Bar Lawyer Referral Service

If you do not qualify for Statewide Legal Services, you can contact the bar association which has a lawyer referral service. You will be referred to an attorney in your area. A flat fee of \$25 for a half hour consultation will apply and additional services will be at the attorney's market rate.

Missouri Bar Association: (573) 635-4128

St. Louis: (314) 621-6681

Kansas City: (816) 221-9472

Springfield: (417) 831-2783